



HQ UNITED STATES AIR FORCE ACADEMY

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Services

USE OF NONAPPROPRIATED FUNDS (NAFS)

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AFI 34-201, 25 July 1994, is supplemented, with the approval of the Air Staff Offices of Primary Responsibility, pursuant to AFI 34-201, Chapter 10, Waivers, Exceptions, and Special Approvals, as follows: Only paragraph **4.1.11. (Added)** was revised.

2.4. (Added) The Air Force Academy Athletic Association (AFAAA) Fund Custodian. The USAFA Superintendent will appoint the Director of Athletics (HQ USAFA/AH) as the AFAAA Fund Custodian for the AFAAA.

2.6.1. (Added) The AFAAA Council. The AFAAA Council will be appointed by the USAFA Superintendent and will serve as the NAF Council for the AFAAA. The AFAAA Council shall establish a Charter with the approval of the Superintendent that will delineate specific objectives of the AFAAA, administration and meetings of the AFAAA Council, procedures for amendments to the Charter, and dissolution of the fund. The AFAAA shall operate in accordance with applicable DoD, Air Force directives, instructions, and policies.

2.6.1.1. The Council will consist of the following members:

2.6.1.1.1. (Added) The Faculty Representative for Intercollegiate Athletics, Chairperson.

2.6.1.1.2. (Added) The Vice Superintendent, HQ USAFA, Vice Chairperson.

2.6.1.1.3. (Added) Director of Athletics, member.

2.6.1.1.4. (Added) Vice Commander, 34th Training Wing, member.

2.6.1.1.5. (Added) Professor and Head, Department of Law, member.

2.6.1.1.6. (Added) Comptroller, HQ USAFA, member.

2.6.1.1.7. (Added) 10 ABW Vice Commander, member

2.6.1.1.8. (Added) Commander, 10th Services Squadron.

2.6.1.1.9. (Added) Director of Admissions, member.

2.6.1.2. The Council will have the following advisors:

2.6.1.2.1. (Added) Vice Athletic Director, serves as member in absence of the Athletic Director.

2.6.1.2.2. (Added) President/CEO or designated representative, Association of Graduates, serves as graduate liaison.

2.6.1.2.3. (Added) Department of Athletics Comptroller, Recorder.

2.6.1.2.4. (Added) HQ USAFA/JA, Legal Advisor.

2.6.1.2.5. (Added) 10 SVS/SVF, Nonappropriated Fund Accounting Advisor.

2.6.1.2.6. (Added) USAFA/NAFFA, Nonappropriated Fund Financial Advisor.

2.6.1.3. (Added. The duties of the AFAAA Council shall be to:

2.6.1.3.1. (Added) Ensure the Director of Athletics (AFAAA Fund Custodian) provides proper management of AFAAA resources and provides the most efficient operations necessary to achieve the AFAAA's objectives.

2.6.1.3.2. (Added) Ensure the AFAAA only receives income from authorized sources and only makes expenditures directly related to AFAAA business or interests.

2.6.1.3.3. (Added) Ensure AFAAA resources are subject to proper accounting procedures and are properly safeguarded by the Director of Athletics (AFAAA Fund Custodian).

2.6.1.3.4. (Added) Review audit findings and assess the adequacy and status of corrective actions.

2.6.1.3.5. (Added) Ensure AFAAA compliance with DODR 5500.7R and other applicable DOD directives and Air Force instructions.

2.6.1.3.6. (Added) Review AFAAA budgets and financial performance quarterly to ensure the AFAAA remains solvent.

2.6.1.3.7. (Added) Make recommendations to the USAFA Superintendent regarding necessary improvement areas.

2.6.2.3. The USAFA Superintendent approves the AFAAA Council minutes.

3.3. The Air Force Morale, Welfare and Recreation Fund is the successor fund to the AFAAA Fund.

3.9.1.1. (Added) The Director of Protocol (HQ USAFA/CCP) is responsible for preparing and submitting quarterly and annual budgets for Superintendent's Mission Support Fund (SMSF) expenditures in accordance with guidance and procedures provided by the Resource Management Flight (10 SVS/SVF). Budgets for SMSF expenditures must be developed in concert with those budgets for Special Morale and Welfare (SM&W), contingency, and operation and maintenance (O&M) funds by the Directorate of HQ USAFA/CCP. During each fiscal year, total expenditures will not exceed total revenues.

3.9.4. Hosting of visiting dignitaries is authorized under this paragraph when the visit is in direct support of the USAFA mission. Expenditures will be conservative and limited to the same kind of purchases authorized from special morale and welfare funds (SM&W).

3.10.1. (Added) United States Air Force Academy Athletic Association . The AFAAA is a Supplemental Mission Support Nonappropriated Fund Instrumentality (NAFI) within the Air Force MWR program authorized in DoDD 1015.1. The AFAAA is under the direct control of the Superintendent of the USAFA. The USAFA athletic program supports the mental, physical, and character development of all

cadets and is an integral part of the USAFA education and training process. The AFAAA is a NAFI authorized and established for the purpose of providing supplemental support to the athletic program. The Director of Athletics is responsible to the Superintendent for the day-to-day operations of the AFAAA and management and operation of the following: (a) gift shops, (b) ticket office and sales, (c) concessions, (d) the Cadet Field House and Falcon Stadium, (e) AFAAA trademark licensing, (f) AFAAA-assigned housing and dormitory, (g) commercial sponsorship provided to the AFAAA, and (h) maintenance and repair of AFAAA funded supplies and equipment. The Director of Athletics will be responsible for preparing and submitting regular budgets for the AFAAA Fund in accordance with Air Force guidance on budget control. (See AFI 34-209 and AFMAN 34-214, *Procedures for Nonappropriated Funds and Financial Management and Accounting*). The AFAAA will report their operating budget to the Air Force MWR Advisory Board Finance and Audit Committee annually. Operations and activities of the AFAAA will be in accordance with the directives and requirements applicable to other Air Force NAFIs (which include but are not limited to DoDR 5500.7R and other DoD Policy and Air Force Policy). In the event of conflict between government directives and National Collegiate Athletic Association (NCAA) rules, the Athletic Department and the AFAAA must follow the government directives applicable or request a waiver of the conflicting government directives. Pending approval of any such waiver requests, AFAAA must continue to follow the applicable government directives.

3.10.2. (Added) AFAAA Objective. The objective of the AFAAA is to provide supplemental financial support to the USAFA athletic program in order to enhance the public image of the USAF by presenting the USAFA's intercollegiate sports program to the general public. In order to accomplish this objective, the AFAAA generates NAF money to pay for necessary athletic program expenses for mission-related and revenue-generating activities identified in USAFA Supplement 1 to AFI 65-106.

3.10.3. (Added) Revenue Sources. The AFAAA generates NAF revenue from a variety of different sources. The AFAAA currently generates revenue from the sale of USAFA intercollegiate sporting event tickets to the military community and the general public, sale of broadcast rights (television and radio) to intercollegiate sporting events, the operation of gift shops, the sale of paid advertising, commercial sponsorship, the sale of concession items at athletic events, interest from authorized bank accounts, revenue received on a share basis from athletic conference, football games, tournaments, and sports camp fees.

4.1. The AFAAA may provide supplemental NAF support to the USAFA Athletic Department mission-related and revenue-generating activities as identified in USAFA Supplement 1 to AFI 65-106 in accordance with in the basic AFI, and this supplement. The Athletic Director (AFAAA Fund Custodian) must ensure AFAAA assets are only used to support activities that reflect favorably on the USAF and the Department of Defense.

4.1.7. (Added) AFAAA Public relations and recruiting are an appropriated fund responsibility. NAFs may be used for supplemental support on a conservative basis only when they are in the best interest of the Air Force and related directly to the USAFA intercollegiate sports program.

4.1.7.1. (Added) Hosting Prospective Cadet Athletes. The USAFA intercollegiate sports program is subject to the NCAA rules regarding recruiting. Civilian education institutions in the NCAA program are allowed to expend nominal amounts for meals, lodging, and transportation for prospective cadet athletes. AFAAA NAFs may be used to cover these expenses for intercollegiate sports program cadet candidates as long as such purchases are conservative and consistent with NCAA rules.

4.1.8. (Added) AFAAA NAFs may be used for travel, lodging, and per diem expenses at the government rate for NAF employees, when performing official business approved by the Director of Athletic. In addi-

tion, AFAAA NAFs may be used to provide team support for the USAFA's intercollegiate sports program when the USAFA Comptroller certifies that APFs are not available or are not authorized. AFAAA NAFs may be used to pay travel expenses for contractors in accordance with their contracts.

4.1.9. (Added) AFAAA NAFs may be used to purchase gifts of nominal value (\$20.00) for visiting Athletic Directors from opposing teams at USAFA intercollegiate sports home events.

4.1.10. (Added) The USAFA is an open base and attracts a large volume of civilian visitors each year. In an effort to broaden public awareness of the USAFA and the USAFA Athletics Department, authorized users of the AFAAA Gift Shops and other resale activities may serve authorized MWR patrons, members of the public, and non-Department of Defense personnel.

4.1.11. (Added) NAFs may be used to purchase professionally printed business cards for Athletic Department personnel and contractors involved in USAFA intercollegiate sports recruiting, marketing, development and public relations for the intercollegiate sports program when approved by the Director of Athletics.

4.2.2. The AFAAA NAFs may be used for training and professional courses for Athletic Department personnel when the training directly relates to operations normally funded by AFAAA NAFs

4.2.6. The AFAAA may use NAF assets for financial transactions in Partnership Agreements with commercial concerns as defined in AFMAN 64-302, *Nonappropriated Fund Contracting*, and the USAFA supplement.

4.2.16. AFAAA NAFs derived from the NCAA allocation may be used for Academic Enhancement Programs and other educationally beneficial programs, which assist cadets engaged in intercollegiate sports in maintaining academic and military standards. This program is dedicated to tutoring cadet athletes but also benefits the cadet wing with educationally beneficial programs such as drug and alcohol abuse awareness, gambling issues, etc.

5.7.1.1. (Added) The USAFA Superintendent has authority to accept contributions and donations up to and including \$25,000 for the AFAAA. Prior to acceptance, all AFAAA contributions and donations will be coordinated with HQ USAFA/XPA and JA. Procedures for acceptance of gifts are outlined in AFI 51-601, USAFA Supplement 1.

5.7.1.1.1. (Added) An offer of a conditional or unconditional contribution or donation must be, in writing, and should contain sufficient information to document the nature of the contribution or donation and any restrictions that may apply. The approving authority will accept the contribution or the donation. The supporting documentation will be maintained by the NAF Accounting Office in the life-of-the-fund file.

9.4.5. (Added) The AFAAA may sell space for commercial advertising in any media (printed, signs, electronic) produced for or prepared by them, and they may accept payment for such advertising subject to the following conditions:

9.4.5.1. (Added) The advertising shall be identified as "Paid Advertising" and include a disclaimer that it does not constitute or imply endorsement by any part of the Federal Government.

9.4.5.5.1. (Added) Sample Paid Advertisement Disclaimer Language. The following is a sample of the language to be used: *"The appearance of references to commercial firms or their goods or services in this (publication)(venue) does not constitute or imply a Federal endorsement of the firm or its goods or services being advertised."*

9.4.5.2. (Added) Acceptance of paid commercial advertising on Armed Forces Radio and Television Service (AFRTS), local commander's channels, or any APF electronic media is prohibited.

9.4.5.3. (Added) Advertising in MWR media is based on reaching bona fide users in accordance with established patronage policies.

9.4.5.4. (Added) The MWR media is not distributed off the installation. Mailing to authorized patrons is permitted.

9.4.5.5. (Added) The disclaimer will be posted at or near the site of the advertising, or in prominent locations, such as the base entrances and where the advertising takes place, including, but not limited to, the entry points of sports venues. Disclaimers located with the advertisement shall be of a size that is proportionate to the size of the advertising and be of a style and font that is easily readable. Disclaimers located at entry points shall be of such size and style that make them easy to read.

10.2.1.1. (Added) Waivers. Waivers to the procedures contained in the basic or this supplement must be submitted through the Superintendent to HQ USAF/ILV for review and approval.

12.2.4. The Director, Protocol (HQ USAFA/CCP), will develop and submit an annual MWR Fund and SM&W budget with quarterly breakouts in accordance with regulatory guidance and procedures provided by 10 SVS/SVF. Budgets for SM&W expenditures must be developed in concert with those developed for SMSF, contingency, and O&M funds by the Directorate HQ USAFA/CCP.

12.2.5. Each AF Form 9, **Request for Purchase**, submitted to NAF Accounting (10 SVS/SVF) must be accompanied by a memo annotated with the authorized expense category described in AFI 34-201 or AFI 65-603 Contingency Funds; Miscellaneous Current Expenses; Official Representation Funds; PEC 91515F. When the Academy Club is used, the pertinent expense category memo will accompany the copy of the party sheet sent to 10 SVS/SVF. When items are purchased from the Academy Gift Shop, the expense category memo will accompany the payable voucher to 10 SVS/SVF. SM&W expense categories and cost center codes are as follows:

- Individual Recognition (Q1)
- Civic Affairs and Events (Q2)
- Memorial Observances (Q3)
- Welcoming and Orientation (Q4)
- Hosting of Personnel (Q5)
- Enhancement of Environment (Q6)
- Conferences, Workshops, and Seminars (Q7)
- Change of Command Ceremonies (Q8)
- Individual Membership (Q9)

12.3.3.1. Items routinely maintained in the "perpetual inventory closet" must be approved, purchased, and restocked as required. In addition to the purchase records, a memorandum listing the quantity of items, appropriately approved, will be maintained by the NAF Resource Management Flight.

12.3.3.4. Actual versus budgeted expenditures will be tracked and analyses provided by 10 SVS/SVF as prescribed for NAFs. Corrective actions, when required, will be taken by the appropriate offices to ensure prudent use of NAF dollars and to ensure sufficient funds are available to cover expenses.

12.4. The USAFA Comptroller will determine the availability and propriety of use of appropriated contingency funds, providing a Fund Certification Statement to Protocol when the funds are requested.

12.4.8. (Added) Athletic Department special events (such as athletic tournaments) which foster good relations between USAFA and the community and exposure for the Air Force. Authorized expenditures include light refreshments as defined in the basic AFI and mementos (not to exceed \$20) for recognition.

12.4.10. (Added) Items or activities payable with SMSFs or Academic Support Funds are listed under paragraph 3.9 of the basic AFI.

12.7. (Added) Self-Inspection Program. The Director, HQ USAFA/CCP, will develop and administer a self-inspection program for controlling nonappropriated funds. Additionally, guidance and procedures in 10 SVS Operating Instructions will be adhered to for the NAF Self-Inspection Program.

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

Abbreviations and Acronyms

AFAAA——Air Force Academy Athletic Association

AFRTS——Armed Forces Radio and Television Service

SMSF——Superintendent's Mission Support Fund (SMSF)

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